

REMARKS

In response to the restriction requirement dated 12 August 2003, Applicants cancelled claims 34-49, leaving for prosecution on the merits claims 1-33 herein. A divisional application has been filed.

Examiner Interview

Applicants appreciate the Examiner's time and effort during the telephonic interview of 30 March 2004. During the interview, the Broerman reference was discussed. In Applicants' view, as further presented below, Broerman makes very limited use of a computer in closing a real estate transaction or clearing conditions. Broerman uses a computer for word processing and calendaring. By analogy, in working with the PTO, a patent attorney can use a computer to prepare an IDS in at least two ways. They can use the computer as a word processor, prepare the IDS, mail it, and advise their docketing clerk to update the calendar. Or, they can use the PTO's ePAVE software, with a digital certificate, to prepare an eIDS, digitally sign the submission, electronically transmit it and electronically receive a digitally signed acknowledgment of the eIDS submission. Given the substantial effort that PTO has devoted to the eIDS system and its ongoing refinement efforts, it should be easy to recognize that using a computer as a word processor and for calendaring to prepare an IDS is much different from using the computer as part of an integrated eIDS system.

Applicants appreciate the Examiner having emphasized during the interview FIG. 10 of Broerman. FIG. 10 is a closing flow chart that defines Broerman's teaching regarding use of the computer during closing of a real estate transaction. Differences between FIG. 10 and the claims are presented below.

During the interview, no agreement was reached.

The Abstract

Perhaps the ABSTRACT page was lost from the application after it was received. The abstract has been repeated above. Applicants respectfully request more specific objections to the abstract, if the Examiner believes it should be amended.

Drawings

The drawings have been objected to. Formal drawings accompany this Response, which drawings should overcome the objections.

Claim Rejections – 35 USC 101

The Examiner rejected claims 1-33 under 35 U.S.C. 101 as not involving technology. Applicants believe that this “involving technology” standard for patentability asserted is not supported by *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 149 F. 3d 1368, 1373, 47 USPQ2d 1596, 1601-02 (Fed. Cir. 1998) or by MPEP Section 2106 at 2100-6, both of which concentrate on the “useful, concrete, and tangible result” test. As we understand the evolution of the Office’s position, it is inspired by the unpublished, non-precedential decision in *Ex parte Bowman*, 61 USPQ2d 1669, 1671 (Bd. Pat. App. & Inter. 2001) (unpublished). Applicants point out the *Ex parte Bowman* decision “appears to be inconsistent with *Musgrave* and *Foster* and footnote 16 of the dissent in *Diehr*. [Therefore, the] issue remains open as to whether methods performed without the use of technology are within 35 U.S.C. 101.” Dpty. Commr. Stephen G. Kunin, “After *Excel* and *Schrader*, What is the Dispositive Test for Applying Section 101?”, slide 21, from a videoconference lecture (Sc[I]³ May 20, 2003).

The Examiner agrees that the original claims meet the “useful, concrete, and tangible result” test. In addition, claim 1, for instance, includes registering digital identifications and receiving digital identifications, which necessarily are computer assisted operations. The Examiner argues, “such recitations do not amount to technology which effects the method in a material sense. See MPEP 2106.” At p. 4. The Examiner’s argument is unsupported by anything that Applicants could find in MPEP 2106, even after the interview and after rereading 2100-06 to 07. (Rev. 1 Feb. 2003). The claimed use of digital identifications, whether ID / password or digital certificates, should be considered material because the computer is playing a role in the transaction that guards against repudiation, as opposed to the computer acting as a word processor and calendaring tool. Among digital identifications, a digital signing and

public key system necessarily is computer-assisted because no clerk could carry out the computations needed to apply digital signing. Therefore, recitations of technology in claim 1 and similar claims involve technology that affects the method in a material sense. Even under the erroneous “involving technology” test, the unamended claims pass muster under Section 101.

Without prejudice to reasserting the unamended claims, Applicants have amended independent claims 1, 11, 24 and 29 to be explicit about the methods being computer-assisted, which should overcome the Section 101 rejection.

Claim Rejections – 35 USC 102

The Examiner characterizes Broerman as providing for an “entirely electronic transaction.” This overstates the role of the real estate computer network in transaction closing. Study of FIG. 10 and its written description reveal that closing conditions are handled outside the computer network and reported to the system, like a traditionally handled IDS that is reported to a docketing clerk. Broerman’s written description of FIG. 10 begins in column 15, at line 12 and lines 41 et seq.

The difference between a computer network being actively involved in a real estate closing steps and merely tracking progress toward closing can be seen directly in Broerman. At lines 47-52, the real estate computer network 10 is actively involved in commission payment, by effecting a credit card payment through the real estate computer network. After this direct involvement, Broerman teaches using the computer network for scheduling. The buyer and seller are described as working from a paper copy of the electronic contract. Col. 15, lines 55-58. “Thereafter, routine 208 monitors the various dates and inputs from the parties as to completions of required tasks. An example of such monitoring begins in block 406 where a determination is made as to whether new information has been entered by a party to the transaction. If so, the relevant database or databases are updated and any required changes are made to the schedule (block 408).” Col. 15, lines 60-66. This does not teach or suggest that the buyer or seller take legally binding steps by interacting with the computer network.

Broerman does not give any example of a buyer or seller logging into the system, using digital identification that secures the step against repudiation, and responding to an interactive dialogue with a legally binding action. None of the description of FIG. 10 in columns 15-16, other than making a credit card payment to cover a commission, teaches anything analogous to using PTO's ePAVE software to prepare and submit an eIDS.

Broerman's description of FIG. 10 does not meet the limitations of the independent claims 1, 11, 24 and 29. There is no written description or teaching in Broerman of, "under control of the closing server, repeatedly interacting with one or more of the parties identified by one or more of the registered digital identifications and receiving an instruction to clear one or more conditions; and closing the real estate transaction after all of the conditions have been cleared."

Applicants respectfully submit that the independent claims and the claims that depend from them are allowable over Broerman because of the limited role of Broerman's closing routines in actually clearing conditions.

Claim Rejections – 35 USC 103

As described above, the dependent claims are allowable for the same reason as the independent claims.

Applicants believe that too little consideration has been given by the Examiner to the multi-step process of clearing a title insurance condition. Claim 13 and the claims that depend from it describe electronic title insurance procurement workflows that Broerman does not approach. Klein's glossary of real estate terms does not teach a title insurance procurement workflow either. All that Klein says is, "Title insurance. An insurance policy on the title search. It covers losses from encumbrances that were not found, but should have been found, during the title search." This is not enough to render obvious the claimed workflows or the role of the closing server in clearing conditions.

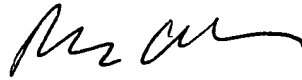
Applicants respectfully submit that claims 13-23 are allowable because Broerman and Klein do not render the claimed method obvious.

CONCLUSION

Applicants respectfully submit that the claims, as amended and stated herein, are in condition for allowance and solicit acceptance of the claims, in light of these remarks. If the Examiner disagrees and sees amendments that might facilitate allowance of the claims, a call would be appreciated.

Should any questions arise, the undersigned can ordinarily be reached at his office at 650-712-0340 from 8:30 to 5:30 PST, M-F and can be reached at his cell phone 415-902-6112 most other times.

Respectfully submitted,



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